

Fiscal Committee Debt Collection Summary Update

Program	Original Estimate FY 2011		Actual FY 2011	
	Cost	Revenue	Cost	Revenue
Court Debt Set Off Priority	\$ 10,000	unknown	\$ 0	\$ 3,800,000 *
County Treasurer Vehicle Registration Collections - DOR	60,000	unknown	0	\$ 127,000 **
State Debt Coordinator	290,000	0	-300,000	0 ***
Liens in Civil Action	0	unknown	0	0
Debt Settlement Program	0	350,000	0	0
Assignment of Debt to the CCU	0	2,000,000	0	1,502,000 ****
Minimum for County Attorney Collections	0	56,000	0	5,300,000 *****
Payment on Date of Imposition	0	unknown	0	unknown
Debt Amnesty Program	750,000	3,200,000	616,000	3,400,000
	<u>\$ 1,110,000</u>	<u>\$ 5,606,000</u>	<u>\$ 316,000</u>	<u>\$ 14,129,000</u>

Notes:

Although the original fiscal note included some cost estimates, there were no appropriations for State agencies and no authorization for fee reimbursement included in SF 2383 (Debt Collection Act). Agencies absorbed the costs to implement these programs within current operating budgets.

* Although Judicial Branch offsets were up \$3.8 million from the previous year, there is no way to tell if the increase is due to a change in priority or just an increase in dollars recovered.

** Program began January 3, 2011.

*** Senate File 209 (Tax Changes and FY 2011 Supplemental Appropriations Act) required unencumbered or unobligated funding appropriated to the Office of the State Debt Coordinator during FY 2011 to be used by the Department of Revenue for administrative costs associated with State tax processing.

**** Collections in the first 60 days increased by 24.9% over the same time period in the previous year. In FY 2011, the CCU collected \$26.6 million compared to \$25.1 million from FY 2010. Due to the 10.0% add-on fee, the CCU received \$152,000.

***** The County Attorney amount shows only the amount deposited in the State General Fund. The total amount received for FY 2011 was \$10.0 million of which \$5.3 million was received by the State and \$4.7 million was received among the county general fund. There is no way to tell if the amount received by the State was due to a change in legislation or just an increase in the dollars collected overall. (The difference between FY 2010 and FY 2011 was an increase of \$3.9 million of which \$2.1 million was deposited in the State General Fund and \$1.8 million was deposited among the counties.)

CCU = Centralized Collection Unit (Department of Revenue)

DOR = Department of Revenue

Program	Original Estimate FY 2012		Actual FY 2012	
	Cost	Revenue	Cost	Revenue
Court Debt Set Off Priority	\$ 0	unknown	\$ 0	unknown
County Treasurer Vehicle Registration Collections - DOR	1 0	unknown	0	\$ 232,000
County Treasurer Vehicle Registration Collections - Courts	2 0	unknown	0	148,000
Taxpayer Public/Private Utility Customer Match	3 0	\$ 1,700,000	0	0
Assignment of Debt to the CCU	4 0	2,000,000	0	1,900,000
Minimum for County Attorney Collections	5 0	56,000	0	2,100,000
Debt to Private Debt Collector	6 0	unknown	0	1,026,071
Payment on Date of Imposition	0	unknown	0	unknown
	<u>\$ 0</u>	<u>\$ 3,756,000</u>	<u>\$ 0</u>	<u>\$ 5,406,071</u>

Notes:

FY 2012 Actuals are through October 31, 2011, unless otherwise noted.

Since no State Debt Coordinator was appointed, the civil lien program and the Debt Settlement Program did not occur. All three programs were to be repealed January 1, 2014.

1) This figure is as of December 7, 2011.

2) Program did not begin until July 1, 2011. The information is through October 31, 2011.

3) Taxpayer Utility Match is not beginning until after January 1, 2012.

4) Through the end of October, Judicial Branch collections have increased \$1.9 million compared to the same time period a year ago. The CCU receives a 10.0% add-on fee from collections. Of this amount, the CCU has received \$190,000 in additional revenue to date.

5) As of October 31, 2011, \$2.1 million has been deposited in the State General Fund from county attorney collections and \$1.5 million deposited among the counties.

6) Jasper County was the only county that collected funds through the private debt collector program from mid-July through September 7, 2011. The total amount of debt sent to Linebarger (the private debt collector) for collections has been \$140.2 million as of October 31, 2011.